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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/01/06

SPONSOR     Silva     LAST UPDATED                      HB   419  

SHORT TITLE     Motor Carrier Act Federal Compliance     SB                     

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ANALYST     Moser    

Duplicates Appropriation in the General Appropriation Act  
 Relates to Appropriation in the General Appropriation Act

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY06	FY07	FY08		
	\$3,500*	\$3,500*	Recurring	State Road Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

\* The proposed legislation adds a penalty for failure to register with a base state under the pending Unified Carrier Registration Act of 2005. The revenues to be received from adding this penalty are anticipated to be positive but are also anticipated to be negligible.

Companion to SB447

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Regulation Commission (PRC)  
 NM Department of Transportation (NMDOT)  
 Department of Public Safety (DPS)

### SUMMARY

#### Synopsis of Bill

HB 419 amends NMSA 1978, § 65-2A-16 to replace the Single State Registration System (“SSRS”) with the Uniform Carrier Registration Act (“UCR”) in order to conform with changes in federal law that take effect January 1, 2007. The changes in federal law repeal SSRS and replace it with UCR System. SSRS is a federal program run by the states and in New Mexico administered by the Public Regulation Commission (“Commission”). SSRS requires interstate for-hire motor carriers to register annually with one state that participates in the SSRS program (“base state”) and provide the base state evidence of its federal motor carrier registration and financial responsibility filings.

The motor carrier is also required to pay an annual fee to the base state and other states that the motor carrier will have vehicles traveling through in the calendar year. Under SSRS no state is allowed to charge a motor carrier more than \$10 per vehicle per year. In New Mexico the Commission annually collects \$3.5 million dollars from SSRS. That money is deposited into the State Road Fund.

On August 11, 2005, the President signed the Uniform Carrier Registration Act of 2005, which repeals SSRS and replaces it with UCR effective January 1, 2007. UCR requires all interstate motor carriers, private and for-hire, to register with a base state and provide information to the base state concerning the registration of the interstate operations of that motor carrier and proof of its federal financial responsibility filings. Under UCR, motor carriers are required to pay to the base state a fee based on a progressive tiered system tied to the number of power units owned by the motor carrier. The tiered system is required to be designed to collect and distribute to each state the same amount the state collected under the last year of SSRS.

HB 419 also adds a penalty assessment misdemeanor to the motor vehicle code for failure to register under UCR. The same penalty assessment misdemeanor fine amount (\$50) is currently provided in law for failure to carry a SSRS receipt.

### **FISCAL IMPLICATIONS**

The PRC indicates that HB 419 has no fiscal impact to the Public Regulation Commission (“Commission”). However, if HB 419 or its companion SB 447, do not pass in this legislative session, the State Road Fund stands to lose \$3.5 million dollars next fiscal year. If HB 419 does not pass in this or the next legislative session, the State Road Fund would permanently lose \$3.5 million dollars. Also, if HB 419 does not become law, the Motor Transportation Division of the Department of Public Safety would lose penalty assessment revenue since the Division would no longer be allowed to issue citations to interstate motor carriers who do not participate in a program of this nature.

### **SIGNIFICANT ISSUES**

DPS indicates that the Unified Carrier Registration Act of 2005 has not been implemented. The date of January 1, 2007 is in the Notice of Proposed Rulemaking and is not firm. The Federal Motor Carrier Safety Administration (FMCSA) has not completed a Final Rule on this issue. FMCSA does intend to issue a final rule in 2006; although there is no specific date. Within this final rule, several issues have not been addressed. Each jurisdiction (State) has three years to adopt the regulations from the federal register.

The PRC indicates that although the first registration year does not begin until January 1, 2007, states that wish to participate in UCR in that first registration year will have to start registering motor carriers under UCR in September 2006. The PRC feel that delaying this bill until the next legislative session would cause confusion in the motor carrier industry and to enforcement authorities that inevitably occurs when there is a gap of time between similar regulatory programs. Additionally, the PRC argues that without enabling legislation New Mexico might not be entitled to any monies under UCR in that first registration year if it does not have implementing legislation in effect on January 1, 2007.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

HB 419 is a companion to SB 447.

**TECHNICAL ISSUES**

The PRC states that because some states and some in the motor carrier industry have proposed that the dates of repeal of SSRS and implementation of UCR change from January 1, 2007 to January 1, 2008, HB 419 has a contingent effective date that would allow the PRC the flexibility to delay the repeal of SSRS and the implementation date of UCR.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The PRC states that if HB 419 is not enacted, the State Road Fund will lose \$3.5 million dollars per year. Also, if HB 419 is not enacted, interstate motor carriers based in New Mexico will no longer register with the Commission. This would include motor private carriers that did not participate in SSRS but who are required to register under UCR. Also, if HB 419 does not become law, the Motor Transportation Division of the Department of Public Safety would lose penalty assessment revenue since the Division would no longer be allowed to issue citations to interstate motor carriers who do not participate in a program of this nature.

GM/mt